
BUDGET UNIT BRIEF – FY 2018

Fiscal Services Division

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Medical Assistance — Quality Assurance Trust Fund

Background

Senate File 476 (FY 2010 Nursing Facility Assessment Act) imposed a quality assurance assessment (tax) on nursing facilities for each patient day. The assessment applies to all for-profit and nonprofit private nursing facilities, but not to State nursing facilities. Revenue received from the assessment is deposited in the Quality Assurance Trust Fund (QATF) under the authority of the Department of Human Services (DHS). The moneys in the Fund are used to provide a supplemental appropriation to the Medicaid program, matched with federal financial participation, intended to increase nursing facility reimbursement. This payment, to the extent possible, is intended to offset the cost of the assessment to nursing facilities.

Assessment Fee

The nursing facility assessment is set at approximately 3.0% and is estimated to collect \$36.7 million annually. The funds are appropriated to the Medicaid program to allow the State to draw federal matching funds, resulting in a net increase for Medicaid revenue.

Related Statutes and Administrative Rules

Iowa Code chapter [249L](#)

Iowa Administrative Code [441—36](#)

More Information

NCSL Provider Tax Information: www.ncsl.org/research/health/health-provider-and-industry-state-taxes-and-fees.aspx

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